



5/4/05

## FINAL PASSAGE

### **SB 73 (Birkholz)**

Senate Bill 73 would amend the Natural Resources and Environmental Protection Act to clarify the Department of Environmental Quality's rules for emissions offsets. Under federal air quality rules, when an area is designated as "out of attainment", the Department must produce a plan that shows what actions will be taken to return to "attainment" status. "Offsets" allow regulated industries some flexibility in this process, balancing economic growth while reducing emissions.

Support: MMA, DEQ.

- *Committee 1 (S-2) was adopted.*
- *SB 73 was moved to 3<sup>rd</sup> Reading. (5/3)*
- **SB 73 passed [RC 98: 35 yes, 0 no]. (5/4)**

### **SB 348 (Cassis)**

### **HB 4188 (Rocca)**

SB 348 would increase from \$25,000 to \$45,000 the maximum household income of a taxpayer who is eligible to defer the collection of the summer property taxes. It is estimated that the bill would reduce State education tax revenue to the School Aid Fund by approximately \$5.4 million to \$7.3 million in 2005-06. Under these assumptions, the bill would defer approximately \$37.4 million to \$50.1 million in local unit revenue. For local units on a July-to-June fiscal year, this deferral would only affect cash flow, by delaying the receipt of payments from earlier in the fiscal year until later. However, local units on an October-to-September fiscal year, or a fiscal year that matches the calendar year, likely would experience a one-time revenue loss in fiscal year 2005-06.

Support: Michigan Association of Realtors.

- *Committee 1 (S-1) was adopted.*
- *SB 348 was moved to 3<sup>rd</sup> Reading. (5/3)*
- **Cassis 1 (4 amends) was adopted [no RC]. Technical changes. (5/4)**
- **SB 348 passed [RC 100: 38 yes, 0 no].**

HB 4188 would increase from \$25,000 to \$35,000 the maximum household income of a taxpayer who is eligible to defer the collection of the summer property taxes. The bill would reduce State education tax revenue

to the School Aid Fund by approximately \$3 million to \$4 million in 2004-05, and \$3.1 million to \$4.1 million in 2005-06. Under these assumptions, the bill would defer approximately \$20.5 million to \$27.5 million in local unit revenue. For local units on a July-to-June fiscal year, this deferral would only affect cash flow, by delaying the receipt of payments from earlier in the fiscal year until later. However, local units on an October-to-September fiscal year, or a fiscal year that matches the calendar year, likely would experience a one-time revenue loss in fiscal year 2004-05.

- *Committee 1 (S-1) was adopted.*
- *HB 4188 was moved to 3<sup>rd</sup> Reading. (5/3)*
- *Cassis 1 (4 amends) was adopted [no RC]. Technical changes. (5/4)*
- *HB 4188 passed with IE [RC 101: 38 yes, 0 no].*

### **HB 4065 (Caswell)**

HB 4065 would permit a property tax bill to be corrected at the July or December board of review following an incorrect uncapping of a property tax assessment. The current property tax law provides taxpayers with little recourse if their property assessment is mistakenly uncapped by the local assessor. If the mistake is not appealed to the March board of the review, the taxpayer can only have the matter corrected by the July or December board of review if the assessment was due to a "clerical error" or a "mutual mistake of fact."

Support: Department of Treasury, Michigan Assessors Association, Michigan Association of Realtors, Michigan Farm Bureau.

- *HB 4065 was moved to 3<sup>rd</sup> Reading. No amendments. (5/3)*
- *HB 4065 passed with IE [RC 99: 35 yes, 0 no]. (5/4)*

### **HB 4482 (Nofs)**

HB 4482 would designate the amounts of school taxes that a local tax increment financing authority (in Battle Creek) can continue to capture and retain through June 30, 2015.

According to testimony before the House Committee on Commerce, school taxes that were being captured by a Battle Creek-area financing authority for economic development projects at the former Camp Custer were assumed to have been grandfathered when Proposal A was enacted. Questions were later raised by the Department of Treasury about the financing authorities continued ability to collect school taxes, however, because the agreement between the City of Battle Creek and Battle Creek Unlimited, the economic development entity, involved a series of renewable one-year contracts rather than a single long-term agreement.

Support: Michigan Treasury Department, Battle Creek Unlimited.

- *Committee 1 (S-2) was adopted.*
- *HB 4482 was moved to 3<sup>rd</sup> Reading. (5/3)*
- *HB 4482 passed with IE [RC 102: 38 yes, 0 no]. (5/5)*

## **THIRD READING**

### **SB 2 (Jelinek)**

SB 2 would provide for the disposal of dead animals by "active composting methods" rather than by processing at a "composting structure".

- Committee 1 (S-3) was adopted.
- SB 2 was moved to 3<sup>rd</sup> Reading.

**SB 354 (Toy)**

**SB 355 (Hardiman)**

Support: Detroit Regional Chamber, Michigan Manufacturers Association -- The bill will promote voluntary and progressive environmental measures by corporations.

Oppose: DEQ, Michigan Environmental Council -- This bill does not belong in statute and the monetary considerations offered to Clean Corporate Citizens may be excessive.

SB 354 would create the Clean Corporate Citizen Program in statute (it already exists in administrative rules), which would prescribe certain benefits to companies and municipalities that are certified as environmentally clean establishments. The Clean Corporate Citizen must adopt a written policy of pollution prevention, and a specific pollution prevention program. The Clean Corporate Citizen must also supply the Department with certification from the Corporation that is in compliance with all requirements of this act.

- Committee 1 (S-2) was adopted.
- SB 354 was moved to 3<sup>rd</sup> Reading.

SB 355 amends the Safe Drinking Water Act to make it subject to the Clean Corporate Citizen Program created in Senate bill 354.

- SB 355 was moved to 3<sup>rd</sup> Reading. No amendments.